



United States
Department of
Agriculture

Fact Sheet

December 1999

Crop Disaster Program

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2000, and the Omnibus Consolidated Appropriations Act, 2000, included a total of \$1.386 billion for the Crop Disaster Program (CDP). CDP assistance is for farmers who suffered losses to 1999 crops due to natural disasters.

Farmers are eligible for compensation for 1999 crop losses directly attributed to adverse weather and related conditions.

Eligible Crops

CDP covers all crops as follows:

- **Insured Crops** -- Crops insured by either catastrophic (CAT) or buy-up (coverage of 50/100 or greater) crop insurance;
- **Uninsured Crops** -- Crops for which crop insurance was available but not purchased;
- **Noninsurable Crops** -- crops for which crop insurance was not available.

Payment Calculation

Farmers will be compensated if their losses exceed 35 percent of historic yields. The payment formulas below

provide greater benefits to producers who bought insurance on their eligible crops.

- Farmers with eligible losses of **insured** crops will be compensated at **65 percent** of crop insurance market price elections.
- Farmers with eligible losses to **uninsured** crops will be compensated at **60 percent** of the crop insurance market price elections.
- Farmers with eligible losses to **noninsurable** crops will be compensated at **65 percent** of the 5-year average National Agricultural Statistics Service (NASS) price. Noninsured crop disaster assistance program (NAP) area loss triggers do not apply.

Historic yields will be based on the higher of the 5-year NASS county average yield, or the crop insurance actual production history yield, or the NAP-approved yield.

Advance Payments

To make CDP funding available to eligible producers as soon as possible, advance payments will be issued when a complete application is approved. The advance payment will be 35 percent of the projected CDP payment.

Adjustments and Limits to Benefits

Payments to farmers will be prorated after all applications are reviewed in order to stay within the program's requirements and budget. CDP benefits are limited to \$80,000 per person. No one with an annual gross income of \$2.5 million or more in the 1998 tax year is eligible.

Future Crop Insurance Coverage

As a condition of receiving benefits under CDP, any producer who elected not to purchase crop insurance on a 1999 crop for which CDP benefits are requested must insure that crop for the 2000 and 2001 crop years.

When and Where to Apply

Sign-up begins December 13, 1999, and ends February 25, 2000. Information on a crop insurance premium discount is available from crop insurance agents. FSA offices have a list of agents, or one can be found at www.rma.usda.gov under "Agent Locator."

Further information is available at local FSA offices and USDA Service Centers. These are usually listed in telephone books under "United States Government, U.S. Department of Agriculture." Information is also available from FSA's Home Page at www.fsa.usda.gov

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